

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner,

v.

PRISUA ENGINEERING CORP.,
Patent Owner.

Case IPR2017-01188
Patent 8,650,591 B2

Before BARBARA A. PARVIS, MATTHEW R. CLEMENTS, and
TERRENCE W. McMILLIN, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.71(d), Prisia Engineering Corp. (“Patent Owner”) requests rehearing of our post-SAS briefing Order (Paper 38, “Order”). Paper 39 (“Req. Reh’g”). In that Order, we (1) denied Patent Owner’s request to “rescind” our determination in our Decision to Institute (Paper 22, “Inst. Dec.”) that “we cannot determine the scope of claim 1” under 35 U.S.C. § 112, second paragraph, and, “therefore, cannot determine whether the prior art teaches claim 1 and the claims that depend therefrom” (Inst. Dec. 11); (2) denied Patent Owner’s request to retroactively deny institution; (3) granted the parties’ request for additional briefing on newly-added claims (i.e., those previously denied institution on the basis of § 112); and (4) denied Patent Owner’s request to extend the statutory deadline for the Final Written Decision in order to accommodate 3 months for a Supplemental Patent Owner Response. Order *passim*.

In its request for rehearing, Patent Owner submits that we erred by not denying institution retroactively and, alternatively, by not granting a six-month extension of the statutory deadline for the Final Written Decision. Req. Reh’g *passim*. Patent Owner also requests that this request for rehearing be decided by an expanded panel. *Id.* at 8.

For the reasons set forth below, Patent Owner’s Request for Rehearing *denied*.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a

reply. *Id.* With this in mind, we address the arguments presented by Patent Owner.

III. ANALYSIS

A. Background

Samsung Electronics America, Inc. (“Petitioner”) filed a Corrected Petition requesting *inter partes* review of claims 1–4, 8, and 11 (“the challenged claims”) of U.S. Patent No. 8,650,591 B2 (Ex. 1001, “the ’591 patent”). Paper 3. Petitioner asserted the following grounds (Pet. 4):

Reference(s)	Basis	Claim(s) challenged
Senftner ¹	§ 102	1, 2, 8, and 11
Senftner and Levoy ²	§ 103	3 and 4
Sitrick ³	§ 103	1, 2, 8, and 11
Sitrick and Levoy	§ 103	3 and 4

On October 11, 2017, we instituted an *inter partes* review of claim 11 of the ’591 patent under 35 U.S.C. § 103(a) as obvious over Sitrick. Inst. Dec. 38. With respect to claims 1–4 and 8, we stated:

Because, on this record, we determine that claim 1 covers more than one subject matter class—an apparatus and a method of using that apparatus—we cannot determine the scope of claim 1 and we, therefore, cannot determine if the limitations of claim 1 are disclosed or taught by the prior art, or the combinations of prior art, identified by Petitioner. For the same reasons, we also cannot determine if claims 2–4 and 8, which depend from independent claim 1, are unpatentable.

Even if one were to contend the claim 1 limitations are merely written in functional language, the Petition lacks the

¹ US 7,460,731 B2 (Ex. 1006)

² US 2009/0309990 A1 (Ex. 1008)

³ US 2005/0151743 A1 (Ex. 1007)

analysis required by 37 C.F.R. § 42.104(b)(3). For example, at least the “digital processing unit” limitation would invoke § 112, sixth paragraph. *See Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1348 (Fed. Cir. 2015) (*en banc*) (in the absence of word “means,” the presumption that means-plus-function does not apply may be overcome if “the claim fails to ‘recite sufficiently definite structure’ or else recites ‘function without reciting sufficient structure for performing that function’”); Manual of Patent Examining Procedure § 2181 (9th ed. 2014, rev. July 2015) (identifying “device for” and “unit for” as non-structural generic placeholders); *Ex parte Lakkala*, Appeal No. 2011-001526, slip op. at 9–13 (PTAB March 13, 2013) (determining that a “processor in communication with the memory device and configured with the program to” perform certain functions is a means-plus-function recitation under 35 U.S.C. § 112, sixth paragraph); *Ex parte Erol*, Appeal No. 2011-001143 slip op. at 14–18 (PTAB March 13, 2013) (determining that a “processor adapted to” perform several steps is a means-plus-function recitation under 35 U.S.C. § 112, sixth paragraph); *Ex parte Smith*, Appeal No. 2012-007631 slip op. at 12–16 (PTAB March 14, 2013) (determining that a “processor in communication with the memory and programmed to” perform certain functions is a means-plus-function recitation under 35 U.S.C. § 112, sixth paragraph).

Id. at 14–15 (footnote omitted).

On April 24, 2018, the Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on less than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018).

On April 25, 2018, Petitioner filed its Reply (Paper 35) to Patent Owner’s Response (Paper 25).

On May 3, 2018, we modified our institution decision to include review of all challenged claims and all challenged grounds, and we ordered the parties to request a conference call with the panel if they sought additional briefing or changes to the schedule. Paper 36.

On May 10, 2018, the parties requested a conference call with the panel to discuss the need for further proceedings/briefing and schedule changes.

On May 15, 2018, a conference call was held between respective counsel for the parties and Judges Parvis, Clements, and McMillin.

On May 16, 2018, the panel instructed the parties to meet and confer to determine if they could agree to file a Joint Motion to Limit the Petition to only the claim/ground instituted in the Decision to Institute.

On May 18, 2018, the parties informed the panel that they could not reach agreement on a Joint Motion to Limit the Petition.

On May 30, 2018, we issued an Order ruling on the issues presented in the May 15 conference call. Order. That Order is the subject of the instant Request for Rehearing.

B. Patent Owner's Arguments

1. Request for Expanded Panel

Patent Owner argues, “[g]iven the need to address the existing conflict between the Board’s Order and *Cuozzo*, and the need to secure and maintain uniformity of the Board’s decisions, Patent Owner suggests rehearing by an expanded panel.” Req. Reh’g 8.

Our governing statutes and regulations do not provide for parties to request, or panels to authorize, an expanded panel. *See generally* 35 U.S.C. § 6; 37 C.F.R. §§ 41.1–42.412. Our standard operating procedures, however, provide the Chief Judge with discretion to expand a panel to include more than three judges. PTAB SOP 1, 2–5 (§§ II, III) (Rev. 14); *see id.* at 2 (introductory language explaining that the Director has delegated to

the Chief Judge the authority to designate panels under 35 U.S.C. § 6); *see also In re Alappat*, 33 F.3d 1526, 1532 (Fed. Cir. 1994), *abrogated on other grounds by, In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (providing that Congress “expressly granted the [Director] the authority to designate expanded Board panels made up of more than three Board members”). The Chief Judge may consider panel expansions upon a “suggestion” from a judge, panel, or party. PTAB SOP 1, 3–4; *see also Apple Inc. v. Rensselaer Polytechnic Inst.*, Case IPR2014-00319, slip op. at 2 n.1 (PTAB Dec. 12, 2014) (Paper 20) (expanded panel) (*per curiam*).

The standard operating procedure exemplifies some of the reasons for which the Chief Judge may expand a panel. PTAB SOP 1, 3 (§ III.A). For example, an expanded panel may be appropriate when “[t]he proceeding or AIA Review involves an issue of exceptional importance” or when “[c]onsideration by an expanded panel is necessary to secure and maintain uniformity of the Board’s decisions.” *Id.* (§ III.A.1, 2).

In this case, the Chief Judge has considered Patent Owner’s suggestion for an expanded panel, but has determined that an expanded panel is not warranted.

2. *Retroactively Denying Institution*

Patent Owner argues that “[g]ood cause exists to terminate institution in view of the Supreme Court’s decisions in *SAS* and *Cuozzo Speed Technologies, LLC, v. Lee*, 136 S.Ct. 2131 (2016)” because “*Cuozzo* made clear that the Board has no authority to cancel patent claims for

indefiniteness under 35 U.S.C. § 112.”⁴ Req. Reh’g 4. According to Patent Owner, “the Board will be unable to conduct an anticipation or obviousness analysis regarding claims 1–4 and 8, and therefore will be unable to determine patentability of those five claims.” *Id.* at 5. Patent Owner concludes that “the Board should terminate institution on any of the claims as it will be unable to render a final decision on all of the claims, as required by SAS.” *Id.*

Patent Owner’s argument is not persuasive because it is predicated on the false assumption that, if we cannot determine the scope of a claim for § 112 reasons, then we must find it unpatentable under § 112. We are, therefore, not persuaded that we misapprehended or overlooked *Cuozzo* when denying Patent Owner’s request to deny institution retroactively or to terminate this proceeding at this stage, or that “good cause” exists to deny institution retroactively or to terminate on this record.

3. *Extending the Statutory Deadline*

Patent Owner argues that “good cause exists for [a six-month] extension in view of SAS and the Board’s subsequent order amending the institution decision to include all challenged claims and all challenged grounds” because doing so “vastly expand[ed] the number of claims and

⁴ The standard, on rehearing, is not “good cause.” Patent Owner must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously. 37 C.F.R. § 42.71(d). In light of the unusual procedural posture of this case due to SAS, however, we address the substance of Patent Owner’s arguments.

grounds at issue,” which “greatly affects Patent Owner’s arguments for this proceeding.”⁵ Req. Reh’g 6. According to Patent Owner:

Pursuant to 37 CFR § 42.107(b), the patent owner is entitled to three months from the date the *inter partes* review is instituted to file a response. The modified institution decision deprives Patent Owner of this time frame and leaves Patent Owner not nearly enough time to conduct additional discovery on the newly added claims and grounds, find an expert and prepare a response to the Petition on five new claims and three new grounds on which review was not previously instituted. Patent Owner would be greatly prejudiced, indeed, denied due process, if not afforded the standard three months, from the time the new scheduling order was instituted, to conduct expert discovery and prepare a substantive supplemental response to the new grounds that are now subject to the proceedings. *See* 37 CFR § 42.107(b).

Id. at 7. Patent Owner concludes that “the Board has granted extensions of time as a matter of course to cases similar to this one.” *Id.* at 7–8.

Patent Owner’s arguments are not persuasive. Although this case has expanded from one claim, one ground, to six claims, four grounds, it is still a relatively small case. Only two independent claims are challenged, only two primary references are used, and the two grounds challenging dependent claims 3 and 4 rely on the same secondary reference. Moreover, regarding Patent Owner’s arguments about discovery, instituted claim 11 and newly-added claim 1 share many limitations. For example, Patent Owner argues that Sitrick fails to disclose “extracting the fir[st] image from the original video data stream,” recited in claim 11. Paper 26 (“PO Resp.”), 15–16. Claim 1 likewise recites “extracting the first image.” Patent Owner also

⁵ As noted above, the standard on rehearing is not “good cause,” but we reach the merits of Patent Owner’s arguments nevertheless due to the unusual procedural posture of this case.

argues Sitrick fails to disclose “extracting the identified at least one pixel as the second image.” *Id.* at 16–18. Claim 1 likewise recites the exact same limitation. As a result, Patent Owner can take advantage of the work it did already when preparing its Patent Owner Response.

Moreover, unlike other cases where the Board has extended a statutory deadline, the final written decision in this proceeding is due October 11, 2018. All but one of the cases cited by Patent Owner had a statutory deadline in April, May, June, or July—i.e., three or more months before the final written decision is due in this proceeding. And while IPR2017-01084 had a statutory deadline on October 4, that case is unlike this case because more new grounds were added (eight instead of three) and the schedule needed to accommodate Motion to Amend briefing. Here, Patent Owner is not pursuing a Motion to Amend.

Also unlike other cases in which we have extended the deadline, the newly-added claims were addressed in our Decision on Institution. This is not a case where, for example, we denied three grounds in our Decision on Institution as a matter of discretion under § 314(a), which would have provided Patent Owner no indication of whether those grounds met the reasonable likelihood standard. In this case, Patent Owner already knows our preliminary thinking as to the newly-added claims.

For all of the foregoing reasons, we are not persuaded that we misapprehended or overlooked any matter in denying Patent Owner’s request to extend the statutory deadline for the final written decision, or that “good cause” exists extend the statutory deadline.

II. ORDER

Accordingly, it is it is ORDERED that Patent Owner's Request for Rehearing is *denied*.

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For PETITIONER:

Heath J. Briggs
Patrick J. McCarthy
GREENBERG TRAURIG, LLP
BriggsH@gtlaw.com
McCarthyP@gtlaw.com

For PATENT OWNER:

Adam Underwood
Thomas K. Landry
CAREY RODRIGUEZ MILIAN GONYA, LLP
aunderwood@careyrodriquez.com
tlandry@careyrodriquez.com